

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/5/09

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Sean M. Bruno
Certified Public Accountants

Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
UJAMAA Community Development Corporation
New Orleans, Louisiana

We have audited the accompanying consolidated statement of financial position of **UJAMAA Community Development Corporation (UJAMAA)** as of December 31, 2008 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of UJAMAA's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of **UJAMAA** as of December 31, 2008 and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 29, 2009 on our consideration of UJAMAA's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors of
UJAMAA Community Development Corporation
New Orleans, Louisiana
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The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information included in the report is presented for the purpose of additional analysis and is not a required part of the financial statements of the UJAMAA. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS

June 29, 2009

Sean M. Bruno
Certified Public Accountants

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2008

ASSETS

Cash and cash equivalents (NOTE 2)	\$ 329,429
Restricted deposits – replacement reserves	6,923
Prepaid expenses	5,863
Investment in partnership (NOTE 5)	1,020,945
Property, plant, and equipment, net of accumulated depreciation of \$24,083 (NOTES 2 AND 3)	<u>482,715</u>
Total assets	<u>\$ 1,845,875</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 12,000
Flexible subsidy loan payable (NOTE 10)	262,470
Deferred revenues (NOTE 2)	<u>254,513</u>
Total liabilities	<u>528,983</u>
Net Assets:	
Unrestricted (NOTE 2)	<u>1,316,892</u>
Total liabilities and net assets	<u>\$ 1,845,875</u>

The accompanying notes are an integral part of these financial statements.

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUES AND SUPPORT

FEMA proceeds	\$ 99,296
Grant revenue	38,317
Rental income	1,800
Forgiveness of debt (NOTE 8)	650,000
Miscellaneous revenues	<u>36,818</u>
Total revenues and support	<u>826,231</u>

EXPENSES

Program services	168,234
Support services	<u>37,093</u>
Total expenses	<u>205,327</u>

Change in net assets	620,904
Net assets at beginning of year	<u>695,988</u>
Net assets at end of year	<u>\$ 1,316,892</u>

The accompanying notes are an integral part of these financial statements.

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$620,904
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	16,170
Donation of property	54,448
Forgiveness of debt	(650,000)
Increase in prepaid expenses	(5,863)
Decrease in accounts payable	(23,816)
Decrease in deferred revenues	<u>(307,356)</u>
Net cash used in operating activities	<u>(295,513)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	<u>(24,024)</u>
Net cash used in investing activities	<u>(24,024)</u>
Net decrease in cash and cash equivalents	(319,537)
Cash and cash equivalents, beginning of year	<u>648,966</u>
Cash and cash equivalents, end of year	\$ <u>329,429</u>

The accompanying notes are an integral part of these financial statements.

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

<u>EXPENSES</u>	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
Salaries and benefits	\$ 33,510	\$ 11,170	\$ 44,680
Insurance	-0-	4,558	4,558
St. Ann Project	57,598	-0-	57,598
Professional fees	56,036	18,679	74,715
Miscellaneous	-0-	936	936
Repairs and maintenance	4,700	-0-	4,700
Bank fees	-0-	737	737
Supplies	-0-	1,013	1,013
Utilities	220	-0-	220
Depreciation	<u>16,170</u>	<u>-0-</u>	<u>16,170</u>
Total expenses	<u>\$ 168,234</u>	<u>\$ 37,093</u>	<u>\$ 205,327</u>

The accompanying notes are an integral part of these financial statements.

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION:

UJAMAA Community Development Corporation (UJAMAA) was organized for the following purposes:

- To raise the economic, educational and social levels of the residents of Orleans Parish, who are substantially unemployed, under employed, or whose income is below federal poverty guidelines, to foster and promote community-wide interest and concern for the problems of said residents to the end that (a) educational and economic opportunities may be expanded; (b) sickness, poverty, crime and environmental degradation may be lessened;
- To expand opportunities for residents of the Special Impact area to obtain and/or acquire adequate low cost housing;
- Provide assistance and educational material with respect to the development, operation and maintenance of affordable, safe, sanitary and decent housing in the State of Louisiana;
- Provide decent housing that is affordable to low and moderate income residents of the State;
- Ensure the accessibility of every resident of the State to affordable, safe, sanitary and decent housing dwelling units;
- Educate residents of public and subsidized housing as to their rights, responsibilities and privileges under the existing laws;
- Expand economic development and home ownership opportunities for residents of the State, especially for the disadvantaged, homeless, impaired or impoverished, on a nondiscriminatory basis;

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - ORGANIZATION, CONTINUED:

- Encourage all levels of government to provide services, improvements and incentives to stimulate the housing revitalization process;
- Disseminate information concerning housing and community improvement programs;
- Provide technical assistance in housing acquisition; and
- Ensure communication between residents, City and Parish government and financial institutions to promote cooperative efforts to prevent neighborhood deterioration.

The consolidated financial statements of **UJAMAA** include:

UJAMAA Community Development Corporation (as described above), and **UJAMAA** Development Company, a for profit corporation organized under the laws of the State of Louisiana and sponsored by **UJAMAA** Community Development Corporation. No capital stock is authorized, issued, or outstanding. **UJAMAA** Development Company was formed to enter into a partnership with Banc One Community Development Corporation (a not-for-profit organization) to develop approximately forty-three (43) low income rental units in the abandoned St. Ann Church and School. The rental units will be earmarked for low income elderly residents. **UJAMAA** Development Company serves as the general partner of the St. Ann Square Limited Partnership.

Throughout the notes to the consolidated financial statements **UJAMAA** Community Development Corporation and **UJAMAA** Development Company will be collectively referred to as **UJAMAA**. The financial statements of **UJAMAA** Community Development Corporation and **UJAMAA** Development Company have been consolidated as they are under common management.

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Reporting

UJAMAA's financial statements are prepared on the accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation

UJAMAA has adopted the provision of Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations", which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net assets categories according to external (donor) imposed restrictions.

A description of the three net asset categories is as follows:

Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the missions of UJAMAA are included in this category.

Temporarily restricted net assets include realized gains and losses, investment income and gifts and contributions for which donor-imposed restrictions (capital improvements, etc.) have not been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor-imposed restrictions.

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED:

Financial Statement Presentation, Continued

At December 31, 2008, UJAMAA did not have any temporarily or permanently restricted net assets.

Support and Revenues

Revenues received under government grant programs are recognized when earned.

Contributions (public support) are considered to be available for unrestricted use unless specifically restricted by the donor or the Board of Directors.

Cash and Cash Equivalents

For purposes of the statement of cash flows, UJAMAA considers all short-term, highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Fixed Assets

Fixed assets are stated at cost, if purchased or at fair market value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized.

Depreciation on computer equipment and buildings is provided using the straight-line method over the estimated useful life of the asset, which is three years for computer equipment and forty years for buildings.

Deferred Revenues

Deferred revenues represent Federal and private grant funds received in advance of the related activities and/or funding period.

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED:

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of **UJAMAA Community Development Corporation and UJAMAA Development Company**. All material intercompany transactions have been eliminated.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 3 - PROPERTY, PLANT, AND EQUIPMENT:

Land, buildings and equipment for the year ended December 31, 2008 is summarized as follows:

Land and buildings	\$ 491,483
Equipment	15,315
Less: accumulated depreciation	<u>(24,083)</u>
Total property, plant, and equipment	<u>\$ 482,715</u>

Depreciation expense totaled \$16,170 for the year ended December 31, 2008.

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - ECONOMIC DEPENDENCY:

The primary source of revenue for **UJAMAA** is state and local grants, rental income and contributions provided through various funding agencies. The continued success of **UJAMAA** is dependent upon the renewal of contracts from current funding sources as well as obtaining new funding.

NOTE 5 - INVESTMENT IN PARTNERSHIP:

UJAMAA Development Company (a wholly owned subsidiary of **UJAMAA Community Development Corporation**) entered into a partnership with Banc One Community Development Corporation to develop approximately forty-three (43) units in the abandoned St. Ann Church and School. The church and school is being leased to the **UJAMAA Community Development Corporation** by the Archdiocese of New Orleans. The lease provided for rent of \$1.00 per year for a period of thirty-five (35) years. The apartments are earmarked for low income elderly residents. **UJAMAA Development Company** serves as the general partner and owns .1% of the partnership. The total amount invested into the partnership by **UJAMAA Development Company** totaled \$1,020,945 at December 31, 2008.

NOTE 6 - INCOME TAXES:

UJAMAA Community Development Corporation is exempt from federal income taxes under code section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements. **UJAMAA Development Company** did not have any operating income during the year, and as such is not liable for any income taxes.

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - CONTINGENCY:

UJAMAA is a recipient of grant funds from various sources. The grants are governed by various guidelines, regulations, and contractual agreements. The administration of the program and activities funded by the grant is under the control and administration of UJAMAA and are subject to audit and/or review by the applicable funding source. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

NOTE 8 - NOTE PAYABLE:

UJAMAA obtained a 6% loan of Home funds from the City of New Orleans in the amount of \$650,000. The loan was to be repaid from the St. Ann project's excess cash flow over a yet to be determined period of time. Per discussion with management from the City of New Orleans, the \$650,000 had been written off. As such, management at UJAMMA decided to recognize the \$650,000 as income in the current year.

NOTE 9 - IN-KIND REVENUES/EXPENSES:

St. Peter Claver Church provides office space, utilities, and the use of all office furniture and equipment. The value of these services has not been recorded in the financial statements since the related amount has not been determined.

NOTE 10 - FLEXIBLE SUBSIDY LOAN PAYABLE:

On September 24, 2003, UJAMAA acquired the Villa D'Ames Apartment complex which was subject to an existing note payable with the U.S. Department of Housing and Urban Development (HUD) in the amount of \$420,786. The note bears interest at 1% per annum and payable in monthly level installments of \$1,393 over thirty (30) years ending May 1, 2022. At December 31, 2008, \$262,470 was due to HUD for the Flexible Subsidy Program.

SUPPLEMENTARY INFORMATION

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
CONSOLIDATED SUPPLEMENTAL SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2008

	<u>UJAMAA</u>	<u>UJAMAA Development Company</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Assets:					
Cash and cash equivalents	\$ 329,429	\$ -0-	\$ 329,429	\$ -0-	\$ 329,429
Restricted deposits	6,923	-0-	6,923	-0-	6,923
Prepaid expenses	5,863	-0-	5,863	-0-	5,863
Investment in partnership	1,020,945	1,020,945	2,041,890	(1,020,945)	1,020,945
Property, plant and equipment, net of accumulated depreciation of \$24,083	482,715	-0-	482,715	-0-	482,715
Total assets	<u>\$ 1,845,875</u>	<u>\$ 1,020,945</u>	<u>\$ 2,866,820</u>	<u>\$ (1,020,945)</u>	<u>\$ 1,845,875</u>
Liabilities:					
Accounts payable	12,000	-0-	12,000	-0-	12,000
Flexible subsidy loan payable	262,470	-0-	262,470	-0-	262,470
Deferred revenues	254,513	-0-	254,513	-0-	254,513
Total liabilities	<u>528,983</u>	<u>-0-</u>	<u>528,983</u>	<u>-0-</u>	<u>528,983</u>
Net Assets:					
Unrestricted	1,316,892	1,020,945	2,337,837	(1,020,945)	1,316,892
Total net assets	<u>1,316,892</u>	<u>1,020,945</u>	<u>2,337,837</u>	<u>(1,020,945)</u>	<u>1,316,892</u>
Total liabilities and net assets	<u>\$ 1,845,875</u>	<u>\$ 1,020,945</u>	<u>\$ 2,866,820</u>	<u>\$ (1,020,945)</u>	<u>\$ 1,845,875</u>

See the Independent Auditors' Report.

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
CONSOLIDATED SUPPLEMENTAL SCHEDULE OF REVENUES AND SUPPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>UJAMAA</u>	<u>UJAMAA</u> Development Company	<u>Total</u>
<u>REVENUES AND SUPPORT</u>			
FEMA proceeds	\$ 99,296	\$ -0-	\$ 99,296
Grant revenue	38,317	-0-	38,317
Rental income	1,800	-0-	1,800
Forgiveness of debt	650,000	-0-	650,000
Miscellaneous revenues	<u>36,818</u>	<u>-0-</u>	<u>36,818</u>
Total revenues and support	<u>\$ 826,231</u>	<u>\$ -0-</u>	<u>\$ 826,231</u>

See the Independent Auditors' Report.

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
CONSOLIDATED SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

	-----PROGRAM SERVICES-----			-----SUPPORT SERVICES-----		
	<u>UJAMAA</u>	<u>UJAMAA</u>	<u>Total</u>	<u>UJAMAA</u>	<u>UJAMAA</u>	<u>Total</u>
	<u>Development</u>	<u>Company</u>	<u>Program</u>	<u>Development</u>	<u>Company</u>	<u>Support</u>
			<u>Services</u>			<u>Services</u>
						<u>Expense</u>
Salaries and benefits	\$ 33,510	\$ -0-	\$ 33,510	\$ 11,170	\$ -0-	\$ 11,170
Insurance	-0-	-0-	-0-	4,558	-0-	4,558
St. Ann Project	57,598	-0-	57,598	-0-	-0-	-0-
Professional fees	56,036	-0-	56,036	18,679	-0-	18,679
Miscellaneous	-0-	-0-	-0-	936	-0-	936
Repairs and maintenance	4,700	-0-	4,700	-0-	-0-	-0-
Bank fees	-0-	-0-	-0-	737	-0-	737
Supplies	-0-	-0-	-0-	1,013	-0-	1,013
Utilities	220	-0-	220	-0-	-0-	-0-
Depreciation	<u>16,170</u>	<u>-0-</u>	<u>16,170</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ <u>168,234</u>	\$ <u>-0-</u>	\$ <u>168,234</u>	\$ <u>37,093</u>	\$ <u>-0-</u>	\$ <u>37,093</u>
						\$ <u>205,327</u>

See the Independent Auditors' Report.

Sean M. Bruno
Certified Public Accountants

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Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
UJAMAA Community Development Corporation
New Orleans, Louisiana

We have audited the financial statements of **UJAMAA Community Development Corporation (UJAMAA)** as of and for the year ended December 31, 2008 and have issued our report thereon dated June 29, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **UJAMAA's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **UJAMMA's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **UJAMMA's** internal control over financial reporting

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Internal Control Over Financial Reporting, Continued

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weakness. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether UJAMMA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the Board of Directors, management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS

June 29, 2009

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2008

Section I - Summary of the Independent Auditors' Results

1. Type of report issued on the financial statements. Unqualified
2. Did the audit disclose any significant deficiencies in internal control. No
3. Were any of the significant deficiencies material weaknesses. N/A
4. Did the audit disclose any non-compliance which is material to the financial statements of the organization. No
5. Did the audit disclose any significant deficiencies in internal control over major programs. No
6. Were any of the significant deficiencies in internal control over major programs material weaknesses. N/A
7. Type of report issued on compliance for major programs. N/A
8. Did the audit disclose any audit findings which the independent auditors are required to report under OMB Circular A-133, Section 510(a). N/A
9. Were there any management letter comments. Yes

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008

Section II - Financial Statement Findings

None Noted.

Section III - Federal Award Findings and Questioned costs.

Not applicable for fiscal year ended December 31, 2008.

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2008

INTERNAL CONTROL OVER FINANCIAL REPORTING

Audit Finding Reference Number

2007-01 - Financial Management System/Late Submission of Audit Report

Conditions and Perspective

During our audit, we noted that management had received grant proceeds and deposited the funds in a bank account whose activity was not recorded in the general ledger. The bank account was being managed by the project manager. We also noted that transactions recorded in the general ledger pertaining to the sale of the apartment complex were not recorded properly. The aforementioned conditions resulted in the audit not being issued by the required due date.

Recommendation

We recommend that management of UJAMAA adhere to established procedures and ensure that accounting records are properly maintained, reconciled, and reviewed by management on a timely basis, thus enabling the audit to be issued within the prescribed timeframe. Management should require the project manager to submit support for account activity on a monthly basis and record activity in the general ledger.

Current Status

Resolved

Sean M. Bruno
Certified Public Accountants

Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

To the Board of Directors
UJAMAA Community Development Corporation
New Orleans, Louisiana

We have audited the consolidated financial statements of the **UJAMAA Community Development Corporation (UJAMAA)** for the year ended December 31, 2008, and have issued our report thereon dated June 29, 2009.

In planning and performing our audit of the consolidated financial statements, we considered the organizations internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

During our audit, we became aware of a matter that is an opportunity for strengthening internal control and operating efficiency. The memorandum that accompanies this letter summarizes our finding and recommendation regarding the matter. Also, we have reviewed Management's Corrective Action Plan with regard to the December 31, 2008 comments to management. The current status of the December 31, 2007 comments has been summarized in the accompanying memorandum.

This letter does not affect our report dated June 29, 2009 on the consolidated financial statements of **UJAMAA**.

CURRENT YEAR MANAGEMENT LETTER COMMENT

08-01 - Flexible Subsidy Loan

As noted in prior year's audit, UJAMAA had an outstanding Flexible Subsidy Loan with the Department of Housing and Urban Development in the amount of \$262,470, which was secured by the Villa D'Ames apartment complex which was transferred to UJAMAA from the Archdiocese. The complex was sold by UJAMAA during the year, yet the Flexible Subsidy Loan was not paid off by management, and the Department of Housing and Urban Development continues to confirm that this debt remains outstanding.

Recommendation

We recommend that management continue to attempt to resolve this matter with the Department of Housing and Urban Development.

Management's Response

We concur with the comment and the recommendation. We will continue our efforts to have this matter resolved with the Department of Housing and Urban Development.

Sean M. Bruno

Certified Public Accountants

UJAMAA COMMUNITY DEVELOPMENT CORPORATION
INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT, CONTINUED

STATUS OF PRIOR YEAR MANAGEMENT LETTER COMMENTS

07-01 - Flexible Subsidy Loan


We recommend that management discuss this matter with the Department of Housing and Urban Development to discuss the status of the loan.

Status

Unresolved, See Current year's management letter comment 08-01.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with appropriate personnel of UJAMAA, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendation.

This report is intended solely for the information and use of the Board of Directors, and management and is not intended to be and should not be used by anyone other than these specified parties.



SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS

June 29, 2009

Sean M. Bruno
Certified Public Accountants